GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2914
ANSWERED ON:09.08.2001
KOEL KARO HYDRO PROJECT
RAMJI MANJHI

Will the Minister of POWER be pleased to state:

(a) whether the Koel Karo Hydro Project (770 MW) in Bihar was originally approved in June, 1981 at a cost of Rs.446.97 crore but even after nearly 20 years, the project is lingering on and the revised cost estimate has gone upto Rs.2368.41 crore vis-Ã -vis higher tariff amounts to Rs.7.13 per unit;

(b) if so, the reasons therefor;

(c) the steps taken by the Government in this regard; and

(d) the time by which the project is likely to be started?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (d) : Koel Karo HE Project (710 MW) in Bihar (now in the newly formed Jharkhand State) was originally approved in June, 1981 at an estimated cost of Rs.444.67 crores at March 1980 price level. However, no major work could be started due to resistance from the local people to the acquisition of land. In August, 1984 a writ petition was filed in the Supreme Court of India demanding inter alia the scheme for rehabilitation of the displaced persons. On submission of the R&R package, the stay was vacated on 6.2.89, and the Court directed that the rehabilitation plan must be implemented and the compensation must be paid. Government of India, approved the revised cost estimate for the project amounting to Rs.1338.81 crores in November, 1991.

2. In a meeting of the Central Empowered Committee (CEC) constituted by the Government for reviewing Central Sector projects making slow progress, held on 26.2.1997, it was decided to freeze further expenditure on the project thereby putting a stop to work on the project.

3. Based on the request of the Hon`ble Members of Parliament from Bihar, Ministry of Power took steps to revive the project. Koel Karo HE Project is one of the projects identified as a Mega Power project under the Mega Power Projects Policy approved by the Government on 8.10.1998. The mega projects are entitled for concessions which would make the tariff from the project more attractive.

4. Thereafter, Ministry of Power requested the Government of Bihar for conducting fresh survey of Project Affected Persons (PAPs) in order to enable NHPC to formulate the Environmental Management Plan (EMP) in accordance with the guidelines of the Supreme Court. MOEF has brought on record that the Rehabilitation & Resettlement (R&R) Plan submitted by NHPC is not based on fresh survey of PAPs. They also desired that a fresh survey of PAPs be carried out.

5. Government of Jharkhand has written to the Ministry of Environment & Forests in June 2001, stressing that it would be essential to conduct fresh survey of PAPs to identify the actual beneficiaries for implementing the R&R plan. They have decided to conduct a fresh survey of Project Affected Persons. This is an exhaustive and time consuming exercise. The R&R involved in this Project is high.

6. Orissa and West Bengal had declined to purchase power from the project as the tentative tariff of Rs.7.13 per unit was considered too expensive by them. Bihar and Damodar Valley Corporation had signed Power Purchase Agreements with NHPC, committing them to purchase power from the project in accordance with the tariff as notified by Central Electricity Regulatory Commission (CERC). After the formation of the new State of Jharkhand, this project now falls in Jharkhand. NHPC has been asked to seek the commitment of States outside the Eastern region for purchase of power from Koel Karo H.E. Project, as it is necessary to have firm commercial commitment from buyers for power from Central Sector Power Projects.